



The District of Columbia Housing Production Trust Fund: Revenues and Expenditures and 5-City Comparison

June 30, 2016

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Why ODCA Did This Examination

ODCA conducted this examination in response to a request from D.C. Councilmember Jack Evans to examine the activity of the D.C. Housing Production Trust Fund.

What ODCA Recommends

1. DHCD should obtain an independent CPA firm to produce the HPTF financial statements and develop a system to ensure that this practice is implemented going forward. They should be publicly accessible on DHCD's website.
2. DHCD should immediately produce the FY 2014 – FY 2015 HPTF annual reports, and begin to publish quarterly reports. DHCD needs to ensure that quality controls system is in place. These also should be publicly accessible on DHCD's website.
3. DHCD should record expenditures by Agency Comptroller Source Group and not aggregate all expenditures in the single category, "contractual services – other." This will allow DHCD to better analyze fund activity.
4. DHCD should formulate a compliance plan to ensure that future obligations do not deviate from the required 40 percent for both extremely low-income and very low-income households. It should consider compensating for the loss of investment in units for households earning 0-50 percent AMI during FY 2014 and FY 2015 by focusing all available funds on those two income categories for the near future.
5. The District should conduct research into the performance and interest earnings of the loans that are made by participating lenders.
6. The District of Columbia should develop a long-term strategy to preserve the substantial investment that it is making in affordable housing. To address this issue, the District of Columbia should consider both lengthening the D.C. Housing Production Trust Fund's use restriction and maintaining a database with all publicly subsidized affordable units, listing when the affordability expires.
7. The District should finalize and make public the Housing Needs Assessment (Phase II was completed May 2015) that details the District's specific housing needs and develop a plan for how the HPTF can best address those specific needs, including the setting of measurable goals and milestones.

Summary

This report is a first step in a full audit of the District's Housing Production Trust Fund with a final report expected later this year. Administered by the Department of Housing and Community Development, the D.C. Housing Production Trust Fund (HPTF) is a powerful tool used to address the District's pressing need for affordable housing. Authorized in 1988 by the Council of the District of Columbia, the HPTF provides loans and grants to for-profit and non-profit developers who are seeking to build or preserve existing affordable housing.

Since the HPTF began receiving funds in FY 2001, a total of **\$906,685,090** in revenue has been recorded in the HPTF. In terms of expenditures, a total of **\$606,187,686** has been expensed from the HPTF. DHCD reported, but we did not verify, that a total of 9,588 units have been placed on the market for rental or ownership to date from completed projects through preservation and construction.

We compared D.C.'s HPTF with affordable housing trust funds operating in Cambridge (MA), Los Angeles, Philadelphia, and Seattle. The number of housing units produced depends on a variety of factors, such as the activities supported by a trust fund (i.e. new construction, rehabilitation), project location, and target population. In D.C., the units must remain affordable for 15 years if they are for for-sale units and 40 years for rental units. This is roughly similar to other housing trust funds: Los Angeles requires its units to remain affordable for 55 years and Seattle for the length of the loan term, which is roughly 50 years.

On March 15, 2016, we issued a Management Alert to the Director of DHCD identifying noncompliance in two areas: DHCD had not implemented the requirement for an annual audit by a CPA firm or independent firm; and in recent years, DHCD has not met the requirements to submit annual and quarterly reports to the Council.

The DHCD annual reports are to detail the total amount of money received and expended from the HPTF during the fiscal year. We took the reported numbers and compared them to SOAR reports and the Comprehensive Annual Financial Reports (CAFR) for each year. After working with DHCD and its Agency Fiscal Officer, ODCA determined that the annual reports published to date were inaccurate. In addition, it appears that DHCD has recently been out of compliance with spending at least 40 percent of HPTF dollars on projects benefitting the District's lowest-income families.

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Background

Pursuant to a May 12, 2015 request from D.C. Councilmember Jack Evans, the Office of the District of Columbia Auditor examined the activity of the D.C. Housing Production Trust Fund (HPTF). The examination included reporting on the total revenue and expenditures from the HPTF since it began to receive revenue in Fiscal Year (FY) 2001 and identifying the number of units produced up to FY 2015. Additionally, in order to provide the Council with context for consideration of affordable housing policies, we compared the District's HPTF with other major city-level trust funds in terms of reliability of revenue, output, target populations, and other factors.

This report is a first step in a full audit of the District's Housing Production Trust Fund with a final report expected later this year. Administered by the Department of Housing and Community Development, the D.C. HPTF is a powerful tool used to address the District's pressing need for affordable housing. Authorized in 1988 by the Council of the District of Columbia,¹ the HPTF provides loans and grants to for-profit and non-profit developers who are seeking to build or preserve existing affordable housing.

Beginning in October 2003, a dedicated 15 percent from both the District's deed transfer taxes and recordation taxes was required to fund the HPTF annually.² In addition, for FY 2016 and FY 2017, the Council approved the mayor's request for total HPTF funding of \$100 million, including transfers from the General Fund.

Given this new commitment to the HPTF, we are interested in determining not only how effectively the HPTF is operating, but also whether it is successfully addressing the need for affordable housing in the District, admittedly not an easy task. The nature of affordable housing development, and the complexity and breadth of housing production trust funds, make it challenging to evaluate their effectiveness.

¹ See D.C. Law 7-202, the "Housing Production Trust Fund Act of 1988," effective March 16, 1989.

² See D.C. Code § 42-2802(c)(16), which requires that "[b]eginning October 1, 2003, 15% of the real property transfer tax imposed by § 47-903 and 15% of the deed recordation tax imposed by § 42-1103" be deposited in the Fund. This requirement is contingent upon a balanced budget.

Objectives, Scope and Methodology

The objectives of this examination were to:

1. Compare the D.C. Housing Production Trust Fund (HPTF) to other city-level housing production trust funds around the country.
2. Report on the HPTF activity from FY 2001 through FY 2015, including the total number of units that were funded and available for occupancy.

To meet objective 1, the Office of the District of Columbia Auditor (ODCA) compared D.C.'s HPTF with affordable housing trust funds operating in Cambridge (MA), Los Angeles, Philadelphia, and Seattle. The case studies were selected because they closely reflect the characteristics of the District in terms of population, geographical size, and urban environment and/or they had readily available data. The comparison relied on information found in reports produced by the cities and stakeholder groups, regulations, and audits, along with information from Charles Connerly's article "A Survey and Assessment of Housing Trust Funds in the United States," and from Mary Brooks of the Housing Trust Fund Project, a special initiative of the non-profit Center for Community Change.

To meet objective 2, the revenue and expenditure detail was obtained from the System of Accounting and Reporting (SOAR), which is the official financial (accounting) system of record for the District of Columbia government. The reports were created by running all transactional detail with account and agency codes associated with the Housing Production Trust Fund from FY 2001 – FY 2015. The total number of units was provided by the Department of Housing and Community Development (DHCD) in an Excel report which contained a breakdown by fiscal year (FY 2001– FY 2015) of completed projects and total units on the market available for occupancy, which is included in full as Appendix I. Additional information was obtained from the D.C. Code and Municipal Regulations.

Because this is an examination, and not an audit, we did not conduct a data reliability assessment or otherwise verify the information provided by DHCD or other sources. Therefore, the numbers in this report should be regarded as unaudited figures. We did not conduct the examination as an audit as defined by the Government Accountability Office's Government Auditing Standards.

Comparison of Five City-Level Trust Funds

Results of the Auditor's Analysis of Five City-Level Trust Funds, Including the District of Columbia

Housing production trust funds emerged in the mid-1980s in response to cutbacks to federal housing programs and have since grown popular among states, counties and cities.³ By 2011, 52 state housing trust funds operated in 42 states⁴ and in 2013, 79 cities were home to city-level funds.⁵

Although they vary considerably, trust funds are generally defined as separate funds established by states or localities for the provision of a stable source of revenue solely for affordable housing.⁶ They share the following characteristics:

- To provide a source of ongoing revenue to meet affordable housing needs. The funds are most commonly funded using taxes and fees that are associated with the real estate sector, such as a real estate transfer tax and deed recordation tax (District of Columbia), payments related to incentive zoning (Boston), or surtaxes on local property taxes (Seattle). This type of funding makes trust funds highly dependent on active real estate markets and sensitive to downturns.
- To provide funding in the form of either loans or grants to non-profit or for-profit developers to support their efforts to build or preserve affordable housing. Financial support from a trust fund is often supplemented with additional private or public funds, such as federal Low-Income Housing Tax Credits or Community Development Block Grants. In general, units that are supported are required to remain affordable for a period of time as determined by the policies of a trust fund.

³ Charles E. Connerly, "A Survey and Assessment of Housing Trust Funds in the United States," *Journal of the American Planning Association*, 59:3 (1993).

⁴ Housing Trust Fund Project, "The Status of State Housing Trust Funds," Center for Community Change, March 2013, 2.

⁵ Housing Trust Fund Project, "City Housing Trust Funds Dedicated Revenue Sources 2013 Summary," <http://housingtrustfundproject.org/wp-content/uploads/2013/09/City-htfund-revenue-sources-final-wodollars-2013.pdf>.

⁶ Affordable housing is defined by the United States Department of Housing and Urban Development (HUD) as "housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities." https://www.huduser.gov/portal/glossary/glossary_a.html.

- To support a number of housing-related activities, most commonly new construction, acquisition, rehabilitation, and preservation, but also down-payment programs for first-time homebuyers, housing vouchers and subsidies for the operation and maintenance of buildings. Many trust funds support developers through the acquisition and rehabilitation of units, which is important in gentrifying metro areas where rents are rising rapidly. Typically, a trust fund will develop and publish specific program goals and priorities, which helps guide the process of evaluating applications and allocating funds.
- Flexibility of funds; unlike many federal funding sources for affordable housing, trust funds provide states and cities funding without restrictions, which they can use to meet the housing needs of their residents.⁷ In addition to allowing cities to tailor housing programs, some trust funds, like the District's, are flexible enough to provide assistance to housing-development projects in the form of bridge loans and gap financing.

Although the range of activities taken on by trust funds makes them difficult to evaluate, as each activity has a different price point and impact, housing professionals can assess a trust fund by its ability to raise revenue, administer the program, address the needs of the target population, and allocate funds.⁸ Because the trust funds vary greatly from place to place, this comparison highlights a range of options that are available to the District's Department of Housing and Community Development and brings to the fore issues and opportunities that the department should consider in structuring the trust fund's policies. As detailed below in Figure 1, we selected the following city-level trust funds because they have been up and running for at least a decade, operate in markets similar to the District's and/or support the building of affordable housing.

Figure 1

Names of the Five City-Level Housing Trust Funds and Date of Establishment

Name of City-Level Trust Fund	Date Established
District of Columbia Housing Production Trust Fund	1988
Cambridge Affordable Housing Trust	1989
Los Angeles Affordable Housing Trust Fund	2000
Philadelphia Housing Trust Fund	2005
Seattle Housing Levy	1981

⁷ Connerly, "A Survey and Assessment of Housing Trust Funds in the United States."

⁸ The questions were inspired by general research on housing trust funds including the work published by Connerly in "A Survey and Assessment of Housing Trust Funds in the United States."

We analyzed the trust funds in terms of their reliability of revenue, outputs, target population, activities, length of affordability, and processes by which they allocate grants and loans to developers.

1. Reliability of Revenue

A key advantage of establishing a housing trust fund is that it provides a new dedicated source of funding for the construction and preservation of affordable housing. Figure 2 shows that funding ranges from fees and taxes associated with real estate to transfers from the General Fund and sometimes a combination of the two, as is the case with the D.C. Housing Production Trust Fund.

Figure 2

Five City-Level Trust Funds Source of Funding and Most Recent Funding

City	Source of Funding	Most Recent FY Funds
D.C.	15% of both real estate recordation and transfer taxes; plus transfers from the General Fund as approved annually by the Council	FY 2017: Mayor proposed and Council approved \$100 million for the HPTF
Cambridge	Funds from the Community Preservation Act (which is capitalized by a surcharge of 3% on property tax bills) and the city’s Incentive Zoning Ordinance (which requires developers of large commercial real estate to contribute \$4.58 per square foot to the Trust) ⁹	FY 2016: \$9.36 million ¹⁰
Los Angeles	The General Fund, complemented by federal HOME funds, Community Redevelopment Agency (CRA) funds, and McKinney Act Savings funds ¹¹	FY 2015-2016: \$10,185,000 ¹²
Philadelphia	Deed and mortgage recording fees (\$72 fee for recording deeds, \$57 for recording mortgages, and another \$56 for the release and assignment of mortgages) ¹³	FY 2014: \$10,987,572 ¹⁴
Seattle	Since 1995, Seattle voters approved property taxes dedicated to the Levy for seven year periods ¹⁵	\$145 million to cover 2010-2016 ¹⁶

⁹ City of Cambridge Community Development Department, “Funding for the Trust,” <http://www.cambridgema.gov/CDD/housing/housingtrust/trustfunding> and City of Cambridge, “Community Preservation Act,” <http://www.cambridgema.gov/CPA.aspx>.

¹⁰ Chris Cotter, Housing Director of Cambridge Community Development Department, in e-mail communication with ODCA, January 22, 2016.

¹¹ Los Angeles Housing and Community Investment Department, “Affordable Housing Trust Fund Pipeline,” <http://hcidla.lacity.org/Affordable-Housing-Trust-Fund-pipeline>.

¹² City of Los Angeles, “Fiscal Year 2015-16 Budget,” City of Los Angeles, 2015, 30.

¹³ City of Philadelphia, Bill No. 050059, § 10-1001(a)(b)(c).

¹⁴ Philadelphia Housing Trust Fund, “Expanding Housing Opportunities & Revitalizing Neighborhoods,” City of Philadelphia, 2014, 6. FY 2014 was the most recent data available as of May 4, 2016.

Ideally, the funding source is stable enough to ensure a consistent source of long term financing for a community's affordable housing needs.

Both the nature of the source itself and the process by which it is allocated—whether it is by permanent law or subject to annual appropriations—affect the stability of the revenue. Both factors affect D.C.'s source of funding, which is substantially greater than any of the other trust funds surveyed, as seen in Figure 2. Like the Philadelphia Housing Trust Fund, the D.C. Housing Production Trust Fund's revenue source is linked to the strength of the real estate market. Because it is funded using 15 percent of the real estate recordation fees and transfer taxes that are collected in the District, the D.C. Housing Production Trust Fund's revenue increases and decreases with the growth or decline of the real estate market.

In 2014, District elected officials enacted a law authorizing the HPTF to receive a baseline of \$100 million annually and have appropriated funds accordingly in the two budget cycles since. For example, out of the \$100 million made available to the D.C. Housing Production Trust Fund in FY 2016, \$50.179 million was provided as a subsidy from the General Fund and \$49.821 million was from the expected collection of deed recordation and transfer taxes.¹⁷ However, these subsidies have to go through the District's annual appropriations process and are therefore subject to the changing priorities of the Council and the Mayor's office.

Another source of revenue for trust funds is loan repayments, including payments of interest. The D.C. HPTF includes loan repayments and interest earned as part of its revenue. As the D.C. HPTF matures and loans made to developers are closed, research needs to be conducted into the performance and interest earnings of the loans that are made by participating lenders. Such research would provide a better understanding of how the trust fund performs as a revolving loan fund and its ability to recycle capital for future loans.

Additional revenue-related issues to consider:

In addition to stability of the fund, the source of revenue also has political implications for the program. The Seattle Housing Levy, for example, is funded through a levy on property taxes that is voted on by Seattle residents through ballot initiatives. Because the fund depends on popular support for continued funding, the Office of Housing has an incentive to show how the trust fund is using the funding that it receives.

¹⁵ The Seattle Housing Levy dates back to 1981 with a Senior Housing Bond and voters subsequently passed an 8-year levy in 1986. See: City of Seattle, "Seattle Housing Levy," <http://www.seattle.gov/housing/levy/>.

¹⁶ Ibid.

¹⁷ Government of the District of Columbia, "Pathways to the Middle Class: FY 2016 Proposed Budget and Financial Plan," 2015, http://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/2016_Budget_V1.pdf, page G-2.

As a result, the Seattle Housing Levy is one of the most transparent and accountable housing trust funds that we researched.¹⁸ The distribution of the funds is guided by an administrative and financial plan that is revised every two years and adopted by the City Council. The plan is prepared by the Seattle Office of Housing, with input from the Seattle Housing Authority, businesses, groups addressing homelessness, the Housing Levy Oversight Committee, and community members and stakeholders for each of the Levy programs. The administrative and financial plans, as well as information about the fund's output, are easy to access online, and the City of Seattle Office of Housing hosts a number of public meetings to discuss the use of the funding and what progress has been made.

Administrative costs: Some of the funding is used to cover administrative costs and trust funds have to consider how to manage those costs. Both the D.C. Housing Production Trust Fund and the Philadelphia Housing Trust Fund have placed a cap on administrative costs at a percentage of their funding: 15 percent for Philadelphia and 10 percent for D.C.¹⁹ The funding available for administration will therefore increase as the fund receives more money, even if there is no actual need for additional funding to cover administrative costs.

Leverage: Be it loans or grants, the funding provided by housing production trust funds is one source in an often complicated combination of private, local, state, and federal funds. A number of housing production trust funds publicize how much each dollar of their capital has been able to attract in other public and private funding. For example, according to the Coalition for Non-Profit Housing and Economic Development, the D.C. Housing Production Trust Fund has been able to leverage \$2.50 for each dollar it has lent.²⁰ The amount leveraged will differ depending on the type and amount of funding for a project. Some trust funds provide funding specifically to help projects leverage other funding sources, while other funds provide funding only for gap financing. For example, the Los Angeles Affordable Housing Trust Fund provides loans that help projects leverage Low-Income Housing Tax Credits and other state sources, while the Philadelphia Housing Trust Fund places priority on projects that are shovel-ready and have already secured some funding.²¹

¹⁸ For more details, see: City of Seattle, "Seattle Housing Levy: 2014 Report of Accomplishments," 2014, http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/Levy-Annual-Report_2014.pdf and "Seattle Housing Levy: Administrative & Financial Plan, Program Years 2014-2016, and Housing Funding Policies," http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/HousingLevy_AFPlan-FundingPolicies_2014-16.pdf.

¹⁹ City of Philadelphia, Bill No. 050059, § 21-1603 and D.C. Code § 42-2802(b)(10)

²⁰ The Coalition for Non-Profit Housing and Economic Development, "DC's Housing Production Trust Fund," <https://www.cnhed.org/hptf/>.

²¹ See: Philadelphia Office of Housing and Community Development's Request for Proposals from July 2012, <http://philadelphiahousingtrustfund.org/wp-content/uploads/Affordable-Rental-Housing-2012-RFP.pdf> and the Los Angeles, "City of Los Angeles, Affordable Housing Trust Fund Pipeline Regulations, Policies, and Procedures, Call for Projects," May 22, 2015, <http://hcidla.lacity.org/2015-ahtf-pipeline-regulations>.

2. Outputs

Housing production trust funds typically measure their output by the number of housing units that they have helped produce. These outputs depend on a variety of factors, such as the activities supported by a trust fund (i.e. new construction, rehabilitation), its lending criteria, project location, and target population. Figure 3 includes the outputs reported for FY 2014, which was the most recent year for which data was available for all five cities.

Figure 3

FY 2014 Outputs of Five City-Level Trust Funds

City	FY 2014 Outputs
D.C.	<ul style="list-style-type: none"> • 829 units,²² consisting of: <ul style="list-style-type: none"> ○ 242 rehabilitated units ○ 189 acquisition/tenant purchase units ○ 185 new construction units ○ 114 pre-development units ○ 99 units in Deputy Mayor for Economic Development (DMPED) projects
Cambridge	<ul style="list-style-type: none"> • 94 units of existing affordable housing preserved • 14 units of first-time homebuyer resales
Los Angeles	<ul style="list-style-type: none"> • 616 new affordable units completed²³ • 283 housing covenants • 81 new units completed for homeless veterans
Philadelphia	<ul style="list-style-type: none"> • 347 new or rehabilitated homes,²⁴ including: <ul style="list-style-type: none"> ○ 249 rehabilitated rental and special needs units ○ 82 new construction homes ○ 10 vacant properties rehabilitated for homeownership
Seattle	<ul style="list-style-type: none"> • 596 households received at least one form of financial assistance, including emergency rent and security deposits • 315 rental housing units developed²⁵ • 130 affordable apartment units extensively rehabilitated • 97 units of supportive housing, new construction with on-site services • 23 homebuyers purchased their first home using Levy funds

Cities have considerable flexibility in how to structure their funds, allowing them to tailor their trust funds to the needs of their residents. For example, recently in Cambridge, the Housing Director presented the board with an analysis of development challenges, incomes, including a housing affordability gap chart, as well as the proposed goal of constructing 1,000 units by the end of the decade. A helpful guide for housing trust funds is whether or not they have assessed their city’s specific housing needs and developed their program to best address those needs.

²² Information obtained from DHCD and presented in-full as Appendix I, including the most recent FY 2015 outputs.

²³ Figures for FY 2014-2015, see: City of Los Angeles Housing & Community Investment Department, “Strategic Plan 2015-2018,” 12.
http://hcidla.lacity.org/system/files_force/documents/HCIDLA%20Strategic%20Plan%202015-18.pdf?download=1

²⁴ Figures for FY 2014, see Philadelphia Housing Trust Fund, *Expanding Housing Opportunities and Revitalizing Neighborhoods: Philadelphia Housing Trust Fund, 2*.
<http://www.phila.gov/ohcd/wp-content/uploads/2016/01/housing-trust-fund-report-2014.pdf>

²⁵ As the funding is for a seven year period, that is how Seattle tracks its outputs, but its 2014 report does include some specific outcomes from FY 2014, see: City of Seattle, *Seattle Housing Levy: 2014 Report of Accomplishments, 2*.

3. Target Population

Housing production trust funds distribute their funding among different segments of the population. These target populations are often defined by the amount of household income as a percentage of the Area Median Income (AMI). Figure 4 describes the five cities' target populations.

Figure 4

Five Cities' Trust Fund Target Populations

City	Target Population
D.C.	<ul style="list-style-type: none"> • 40% of funds target households earning no more than 30% AMI • 40% of funds target households earning 31-50% AMI²⁶
Cambridge	<ul style="list-style-type: none"> • No set target population but most funding is limited to serving households earning less than 80% AMI. Funding is often combined with other public sources that have deeper affordability²⁷ • Some funding, particularly for homebuyer assistance, is offered to households earning up to 100% AMI²⁸
Los Angeles	<ul style="list-style-type: none"> • All units assisted must be affordable to households at or below 60% AMI for the Los Angeles-Long Beach metro area²⁹
Philadelphia	<ul style="list-style-type: none"> • 50% of the funds are targeted to households earning no more than 30% AMI • 50% of the funds are targeted at households earning 30 - 115% of AMI³⁰
Seattle	<ul style="list-style-type: none"> • At least 60% of program must support households at or below 30% AMI • No more than 10% can support households earning between 60 - 80% AMI • Remaining is dedicated to households earning between 30 - 60% AMI³¹

Units that have received loans or grants from housing production trust funds and other types of state and federal support are not allowed to charge households rent that amounts to more than 30 percent of their income; income and rent guidelines are typically published by the administrative body of the housing production trust fund.³²

As seen in Figure 4, most of the trust funds we reviewed dedicate significant portions of funding to units that will benefit the most low-income households, those earning no more than 30 percent of AMI; Seattle dedicates 60 percent; Philadelphia dedicates 50 percent; and the

²⁶ See D.C. Code § 42-2802(b-1). Also, see D.C. Code § 42-2801.

²⁷ Email from Chris Cotter, Housing Director of Cambridge Community Development Department, on May 11, 2016.

²⁸ Email from Chris Cotter, Housing Director of Cambridge Community Development Department, on May 11, 2016.

²⁹ Los Angeles Housing and Community Investment Department, "Affordable Housing Trust Fund Pipeline Regulations, Policies, and Procedures," May 22, 2015
<http://hcidla.lacity.org/2015-ahtf-pipeline-regulations>.

³⁰ Philadelphia Housing Trust Fund, "About the Fund,"
<http://philadelphiahousingtrustfund.org/index.php/about/>

³¹ City of Seattle, "Seattle Housing Levy: 2014 Report of Accomplishments," 2014,
http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/Levy-Annual-Report_2014.pdf.

³² For example, see the rent restrictions in place by the D.C. Department of Housing and Community Development: <http://dhcd.dc.gov/service/hptf-income-and-rent-limits>.

District sets aside 40 percent. These households have the hardest time paying for housing on the private market and thus have the greatest need for subsidized housing. This is true for the District of Columbia. A study by the Urban Institute, a social and economic policy research institute, found that the District faced a severe shortage in units for those earning no more than 30 percent of AMI (22,100 units).³³

Pressure on the lower end of the market is especially high in the District, since AMI is elevated by high incomes in surrounding counties and is part of the Washington Metropolitan Statistical Area, which had an AMI of \$109,200 for a family of four in 2015.

The challenge with financing affordable housing for the lowest income households is that the rents that landlords are able to collect, which are capped at 30 percent of income, cannot cover the operation and maintenance of the buildings or the repayment of debt accrued during development. To be made available to the lowest income households, units require ongoing subsidies in addition to the one-time upfront subsidies and loans often provided by housing production trust funds. The Seattle Housing Levy directly addresses this challenge through its operating and maintenance program, which provides subsidies during twenty-year periods for households earning no more than 30 percent AMI (\$18,550 for a family of three).³⁴ Therefore, deeper subsidies affect the output of the housing programs; per-unit costs in this category are higher than in other categories.

4. Activities

Although all five trust funds undertake a range of activities related to the production of affordable housing — from land acquisition and new construction, to the provision of rental vouchers, to households at risk of homelessness — the bulk of the work can be divided into two categories: the production and preservation of affordable housing. The two activities have different cost implications for the funds, with housing preservation providing a cost effective solution to stabilize the affordable housing stock (but without adding more units to it). Figure 5 summarizes the wide range of activities that the five cities use their housing production trust funds for.

³³ Leah Hendey, Peter A. Tatian, and Graham MacDonald, "Housing Security in the Washington Region," Urban Institute, July 2014, 36.

³⁴ "Seattle Housing Levy: Administrative & Financial Plan, Program Years 2014-2016 and Housing Funding Policies," http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/HousingLevy_AFPlan-FundingPolicies_2014-16.pdf.

Figure 5

Trust Fund Activities Across the Five Cities

City	Activities
D.C.	<ul style="list-style-type: none"> Loans and grants for the acquisition, construction, rehabilitation, and preservation of housing At least half of this fund is dedicated to rental housing³⁵
Cambridge	<ul style="list-style-type: none"> Affordable housing acquisition, development and conversion of non-residential structures to housing Financial Assistance Program for first-time homebuyers (up to \$130,000 who have graduated from the city’s homebuyer class)
Los Angeles	<ul style="list-style-type: none"> The rehabilitation, construction, and preservation of multi-family housing Does not fund solely acquisition or refinancing³⁶
Philadelphia	<ul style="list-style-type: none"> 50% of available funds are dedicated to the production of new or substantially rehabilitated homes 50% supports housing preservation, home repair, and homelessness prevention³⁷
Seattle	<ul style="list-style-type: none"> The rental-housing program funds new construction and acquisition/rehabilitation The operating and maintenance program provides annual subsidies during twenty-year periods for buildings that serve households earning no more than 30% of AMI The rental-assistance program provides short-term assistance to families and individuals who are at risk of or currently experiencing homelessness A homebuyer program provides low-interest deferred loans to first-time homebuyers³⁸

Losing affordable housing units, whether private-market or publicly-subsidized, presents a real challenge for the District of Columbia. Between 2002 and 2013, the number of rental units with rent and utility costs below \$800 decreased by half.³⁹ In addition, the District lost 1,000 units of privately-owned but publicly-subsidized units to conversions to market rate after use-restrictions expired.⁴⁰ The D.C. Preservation Network has

³⁵ See D.C. Code § 42.2802(b-1)(3).

³⁶ See: Los Angeles Housing and Community Investment Department, “Affordable Housing Trust Fund Pipeline Regulations, Policies, and Procedures,” May 22, 2015 <http://hcidla.lacity.org/2015-ahtf-pipeline-regulations>.

³⁷ See: Philadelphia Housing Trust Fund, “About the Fund,” <http://philadelphiahousingtrustfund.org/index.php/about/>

³⁸ City of Seattle, “Seattle Housing Levy: 2014 Report of Accomplishments,” 2014, http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/Levy-Annual-Report_2014.pdf.

³⁹Rental and income figures were adjusted for inflation to equal 2013 dollars. Wes Rivers, “Going, Going, Gone: D.C.’s Vanishing Affordable Housing,” DC Fiscal Policy Institute, 2015, 4.

⁴⁰ Preservation Strategy Working Group, “Maintaining Economic Diversity and Affordability: A Strategy for Preserving Affordable Rental Housing in the District of Columbia,” DC Preservation Network, December 2014, 3.

identified another 1,750 at-risk units, with 13,700 units with use restrictions that will expire by 2020.⁴¹

5. Length of Affordability

Most of the five cities have requirements for the funded units to remain affordable for a specified length of time. The D.C. Department of Housing and Community Development requires units supported by the D.C. Housing Production Trust Fund to remain affordable for 15 years if they are for for-sale units and 40 years for rental units. This is roughly similar to other housing trust funds: Los Angeles requires its units to remain affordable for 55 years and Seattle for the length of the loan term, which is roughly 50 years, as seen below in Figure 6.

Figure 6

Length of Affordability for the Five City-Level Trust Funds

City	Length of Affordability
D.C.	<ul style="list-style-type: none"> • 15 years for for-sale units • 40 years for rental units⁴²
Cambridge	<ul style="list-style-type: none"> • Depending upon project, but minimum of 50 years, often structured to be extended and/or permanent⁴³
Los Angeles	<ul style="list-style-type: none"> • A minimum of 55 years⁴⁴
Philadelphia	<ul style="list-style-type: none"> • Varies by the amount of subsidy provided
Seattle	<ul style="list-style-type: none"> • 50 years for rental housing (covenant requires the units funded by the city to remain affordable for the length of the loan)⁴⁵

Refinancing loans provide an opportunity to extend affordable use requirements further than the original term, which is especially important in neighborhoods where developers could command a much higher rent by converting units to market rate.

⁴¹ Preservation Strategy Working Group, "Maintaining Economic Diversity and Affordability: A Strategy for Preserving Affordable Rental Housing in the District of Columbia," DC Preservation Network, December 2014, 3.

⁴² D.C. Mun.Reg. tit. 10 § B4107.2(c).

⁴³ Email from Chris Cotter, Housing Director of Cambridge Community Development Department, on May 11, 2016.

⁴⁴ City of Los Angeles, "Affordable Housing Trust Fund," <https://www.lacity.org/311-directory-online-services/servicedetail/1385>

⁴⁵ City of Seattle, "Seattle Housing Levy: 2014 Report of Accomplishments," 2014, http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/Levy-Annual-Report_2014.pdf.

6. Funding Allocation Processes

The five housing production trust funds surveyed in this report allocate their funding through a competitive process.⁴⁶ The agency responsible for the trust will typically issue a notice of funding availability (NOFA) and/or a request for proposals (RFP). The NOFA and RFP describe the types of funding that are available to developers, the requirements associated with that funding, the type of organization eligible for funding, and the application process.

Often, NOFAs and RFPs will also specify different criteria by which projects are evaluated and receive priority in the application process. In 2014, the D.C. Housing Production Trust Fund, for example, provided additional points to projects for meeting the DHCD's policy objectives (as described in the RFP), building family-oriented units, non-profit participation, use of D.C. Certified Business Enterprises, sustainability features, and geographic targeting.⁴⁷ Other trust funds also make priorities: the Philadelphia Housing Trust Fund focuses on sustainability features, and the Seattle Housing Levy seeks housing projects that are developed with easy access to public transit.⁴⁸ Promoting sound design, proximity to transit and availability of community facilities is important in order to build housing of choice rather than of last resort.

There are a number of benefits and drawbacks to a competitive process. A competitive process may drive developers to deliver proposals that are more ambitious in terms of quality, affordability or cost efficiency. It also provides the officers of housing production trust funds with greater leeway to respond to housing needs as they arise. The Cambridge Affordable Housing Trust, which is administered by the City of Cambridge Community Development Department, maintains great flexibility in terms of the projects that it funds. A nine-member board of professionals with experience in housing policy, real estate finance, development, planning, and design that are appointed by the Cambridge City Manager reviews projects and administers loans.⁴⁹ The fund is thus able to respond quickly to opportunities as they arise, which is especially important in a hot real estate market where it faces stiff competition from developers.

⁴⁶ There are additional types of processes, such as a matter-of-right in which projects which met specifications would receive funding, but we did not delve into the pros and cons of this type.

⁴⁷ District of Columbia Department of Housing and Community Development, "Request for Proposals," 2014, 39-41. The RFP was issued for a number of programs, including HPTF funding, Low-Income Housing Tax Credits and Community Development Block Grants.

⁴⁸ See: Philadelphia Office of Housing and Community Development's Request for Proposals from July 2012, <http://philadelphiahousingtrustfund.org/wp-content/uploads/Affordable-Rental-Housing-2012-RFP.pdf>; and "Seattle Housing Levy: Administrative & Financial Plan, Program Years 2014-2016 and Housing Funding Policies," http://www.seattle.gov/Documents/Departments/Housing/Footer%20Pages/HousingLevy_AFPlan-FundingPolicies_2014-16.pdf.

⁴⁹ Cambridge Community Development Department, "Cambridge Affordable Housing Trust," <http://www.cambridgema.gov/CDD/housing/housingtrust>.

However, a competitive process requires additional administrative capacity for officials and also can inject a substantial amount of subjectivity into the process. It is especially important to maintain a systematic review of submitted projects in order to ensure that there is a fair process and that projects are being evaluated by criteria set forth in the RFP or NOFA. The New York State Comptroller released an audit in August 2014 that found that projects funded by the state's Low-Income Housing Trust Fund Program experienced significant delays due in part to the program officer's lax compliance with the procedure for evaluating project proposals.⁵⁰ The audit found that the program had awarded funding to projects that had been deemed "infeasible" and "feasible but not recommended." Such a violation of program policy not only has the potential to hamper the timely implementation of the program, but can also damage the program's reputation with the public.

⁵⁰ New York State Office of the State Comptroller, "*Low-Income Housing Trust Fund Program*," 2014.

Auditor's Analysis of the D.C. Housing Production Trust Fund

Results of the Auditor's Analysis of the District of Columbia Housing Production Trust Fund Activity

In the early stages of this examination, it came to our attention that DHCD was not adhering to specific District laws and regulations. The D.C. Auditor issued a [Management Alert letter](#) on March 15, 2016 to the Director of DHCD identifying noncompliance in two areas.

DHCD had not implemented the requirement for an annual audit by a CPA firm or firm independent of DHCD. The D.C. Code states that the Department shall "conduct annual audits."⁵¹ The corresponding regulation included in the D.C. Municipal Regulations is more specific, that DHCD shall be responsible for "commissioning an annual audit report of the Fund by a Certified Public Accountant or firm of public accountants independent of DHCD in accordance with Generally Acceptable Government Auditing Standards covering financial and compliance audits which sets forth the amount of deposits in the Fund, the aggregate amount of all loans or grants issued by the Fund, and the number and amount of Fund loans in default."⁵²

The law and regulation also call for the Department to file "quarterly reports on activities and expenditures" with the Council Committee Chairperson, listed in the statute as the Committee on Economic Development and in the DCMR as the Committee on Housing and Economic Development.⁵³ There is also an annual report requirement in both law and regulation.⁵⁴ It appears that DHCD has met this requirement

⁵¹ D.C. Code § 42-2802 (d)(3) DHCD shall "[c]conduct annual audits, publish annual reports, hold public hearings, and make annual assessments of the continued housing needs of targeted populations".

⁵² D.C. Mun.Reg. tit. 10 § B4102.9(d).

⁵³ D.C. Code § 42-2802(d) states in part that DHCD shall: "[f]ile with the Chairperson of the Committee on Economic Development quarterly reports on activities and expenditures; and [c]onduct annual audits, publish annual reports, hold public hearings, and make annual assessments of the continued housing needs of targeted populations." It should be noted that under the current Council organization, there is no Committee on Economic Development. The Committee on Housing and Community Development has oversight responsibility for DHCD and is therefore the appropriate Council committee with whom DHCD should submit the quarterly reports required in D.C. Code § 42-2802(d)(2).

⁵⁴ D.C. Mun.Reg. tit. 10 § B4102.9(a). DHCD shall be responsible for "[f]iling with the Chairperson of the Council Committee on Housing and Economic Development quarterly and annual reports on activities and expenditures of the Fund." It should be noted that under the current Council organization, there is no Committee on Housing and Economic Development. The Committee on Housing and Community Development has oversight responsibility for DHCD and is therefore the appropriate Council committee with whom

in some years, but not recently. The most recently released annual report is for FY 2013 (released May 2016) and the FY 2011 and FY 2012 reports were not released until May and June 2013 (due April 1 2012 and 2013, respectively).

ODCA recommended to the Director that DHCD obtain an independent CPA firm to produce financial statements. ODCA also recommended that DHCD produce the FY 2013 – FY 2015 annual reports immediately, as well as begin publishing quarterly reports immediately. Polly Donaldson, DHCD's Director, responded on March 30, 2016, agreeing with the recommendations and stating her plans to procure an audit and produce the FY 2016 HPTF financials by December 31, 2016. In addition, DHCD plans to catch up with the quarterly statements from FY 2012 through second quarter FY 2016 by May 31, 2016. Per Director Donaldson on March 30, 2016, the FY 2013 annual report was being reviewed for submission to Council, and the FY 2014 report is in process and will be ready and submitted to the Council by April 30, 2016. Subsequent to Director Donaldson's response, the FY 2013 annual report was submitted to the Council. As of June 8, 2016, the FY 2014 annual report is still outstanding, as well as the FY 2015 annual report, which was due April 1, 2016.

Revenue and Expenditure Activity

Within the annual reports that DHCD is required to produce, DHCD details the total amount of money received and expended from the HPTF during the fiscal year. As previously mentioned, although the HPTF was established in 1988, it did not receive funding until FY 2001, and regular funding began in FY 2003 when a dedicated revenue source in the form of deed transfers and recordation taxes was established to fund the HPTF annually.⁵⁵ Based on when this activity began, ODCA obtained the annual reports from DHCD covering activity from FY 2001 through FY 2012 (the latest year available at the time of our initial review) to initially report on the revenue and expenditure figures. We took the reported numbers and compared them to SOAR reports and the Comprehensive Annual Financial Reports (CAFR) for each year for the HPTF. After working with DHCD and its Agency Fiscal Officer (AFO), ODCA determined that the annual reports were inaccurate. According to the AFO, "there appears to be a timing issue driving the variances." But DHCD's AFO also provided a reconciliation to explain the differences.

After reviewing the AFO's explanation for the differences between SOAR reports and the annual reports, ODCA concluded that the variances were

DHCD should submit the quarterly reports required in D.C. Mun.Reg. tit. 10 § B4102.9(a). The statutory requirement is found in D.C. Code § 42-2802(d).

⁵⁵ See D.C. Law 14-114, the "Housing Act of 2002," effective April 19, 2002, which made this requirement effective starting in October 2002. However, D.C. Law 14-190, the "Fiscal Year 2003 Budget Support Act of 2002" amended the date and began the funding requirement in October 2003. This requirement is currently codified at D.C. Code § 42-2802(c)(16).

not related to a timing issue, especially since the most recent annual reports were issued several years after the close of the fiscal years. We met with DHCD's Director and HPTF Officer (the department employee responsible for preparing the annual and quarterly reports) regarding the inaccurate annual report figures. Subsequently, the FY 2013 report was released with figures that did not match SOAR and CAFR totals. The HPTF Officer defends the annual reports and insists that the revenue and expenditures are accurate. However, the HPTF Officer failed to provide documentation to support the annual reports' revenue and expenditure totals. Figure 7 shows the variance between the HPTF Annual Reports and SOAR.

Figure 7

HPTF Annual Report and SOAR Revenue and Expenditure Totals and the Variances for FY 2001 – FY 2013⁵⁶

Fiscal Year	Annual Report Revenue	SOAR Revenue	Revenue Variance	Annual Report Expenditures	SOAR Expenditures	Expenditure Variance
FY 2001	\$749,183	\$3,200,000	\$(2,450,817)	\$3,200,000	\$3,200,000	\$ -
FY 2002	\$3,697,428	\$26,149,836	\$(22,452,408)	\$1,750,000	\$1,750,000	\$ -
FY 2003	\$7,193,536	\$5,258,536	\$1,935,000	\$5,550,659	\$3,683,784	\$1,866,875
FY2004	\$50,890,018	\$50,890,018	\$ -	\$10,404,801	\$10,471,835	\$(67,034)
FY 2005	\$53,423,453	\$53,423,453	\$ -	\$29,321,641	\$31,310,117	\$(1,988,476)
FY 2006	\$54,316,703	\$54,316,703	\$ -	\$38,751,779	\$17,071,052	\$21,680,727
FY 2007	\$69,232,934	\$158,952,941	\$(89,720,007)	\$81,344,801	\$69,742,166	\$11,602,635
FY 2008	\$78,277,719	\$75,081,778	\$3,195,941	\$94,935,590	\$114,979,281	\$(20,043,691)
FY 2009	\$31,705,397	\$30,735,427	\$969,970	\$48,109,727	\$45,832,405	\$2,277,322
FY 2010	\$35,425,109	\$35,424,685	\$424	\$24,144,491	\$40,075,883	\$(15,931,392)
FY 2011	\$69,552,630	\$64,770,651	\$4,781,979	\$36,431,630	\$31,649,477	\$4,782,153
FY 2012	\$52,565,220	\$46,990,906	\$5,574,314	\$51,622,220	\$46,047,686	\$5,574,534
FY 2013	\$127,942,889	\$121,277,544	\$6,665,345	\$62,590,889	\$55,926,420	\$6,664,469

Because the DHCD annual reports were inaccurate, ODCA used revenue and expenditure totals taken directly from SOAR reports provided by DHCD's AFO and ODCA's AFO. Since the HPTF began receiving funds in FY 2001, a total of **\$906,685,090** in revenue has been recorded in the HPTF. In terms of expenditures, a total of **\$606,187,686** has been expensed from the HPTF. Figure 8 (next page) shows a breakdown of total revenue and expenditure activity from FY 2001 to FY 2015.

⁵⁶ HPTF Annual Reports are not complete for FY 2014 and FY 2015.

Figure 8

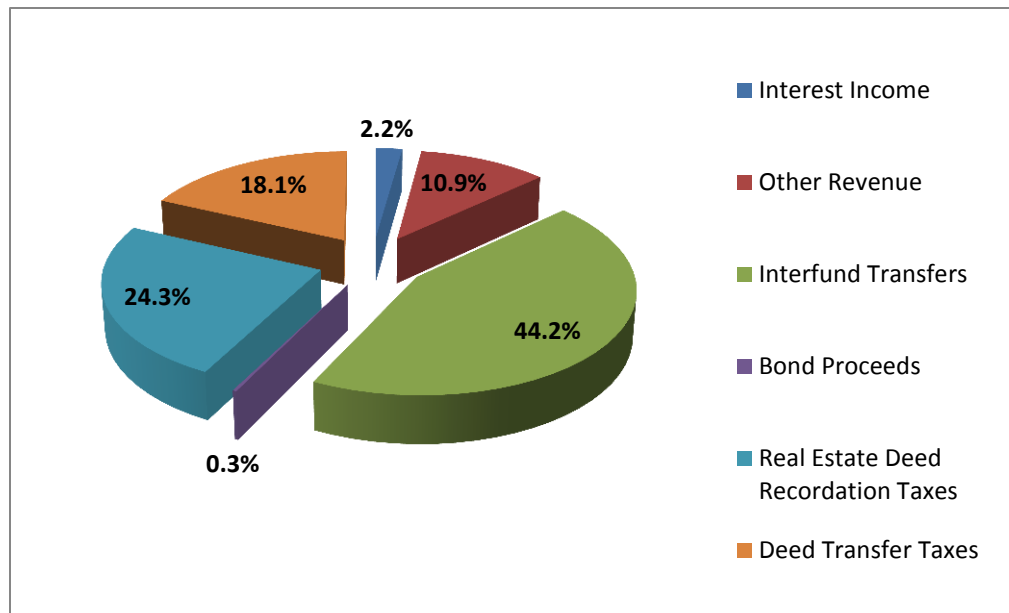
D.C. Housing Production Trust Fund Revenue and Expenditures for FY 2001 – FY 2015

Fiscal Year	Revenue	Expenditures
2001	\$3,200,000	\$3,200,000
2002	\$26,149,836	\$1,750,000
2003	\$5,258,536	\$3,683,784
2004	\$50,890,018	\$10,471,835
2005	\$53,423,453	\$31,310,117
2006	\$54,316,703	\$17,071,052
2007	\$158,952,941	\$69,742,166
2008	\$75,081,778	\$114,979,281
2009	\$30,735,427	\$45,832,405
2010	\$35,424,685	\$40,075,883
2011	\$64,770,651	\$31,649,477
2012	\$46,990,906	\$46,047,686
2013	\$121,277,544	\$55,926,420
2014	\$95,570,222	\$61,438,336
2015	\$84,642,391	\$73,009,245
Total	\$906,685,090	\$606,187,686

Figure 9 shows the sources of revenue as a percentage of total revenue into the Fund.

Figure 9

D.C. Housing Production Trust Fund Sources of Revenue as a Percentage of Total Revenue for FY 2001 – FY 2015



It is important to note that in FY 2007, a subsidy account for the HPTF was created to show the annual transfer of dedicated deed recordation and deed transfer taxes from the District's General Fund to the HPTF, shown as Interfund transfers in the above chart. Beginning in FY 2013, these funds were deposited directly into the HPTF; thus, there is no transfer of Dedicated Taxes recorded through the General Fund. There was a transfer of Local funds to the HPTF through the subsidy account in FY 2013, and FY 2014. Figure 10 shows the sources of revenue as a percentage of total revenue into the Fund for FY 2015.

Figure 10

D.C. Housing Production Trust Fund Sources of Revenue as a Percentage of Total Revenue for FY 2015

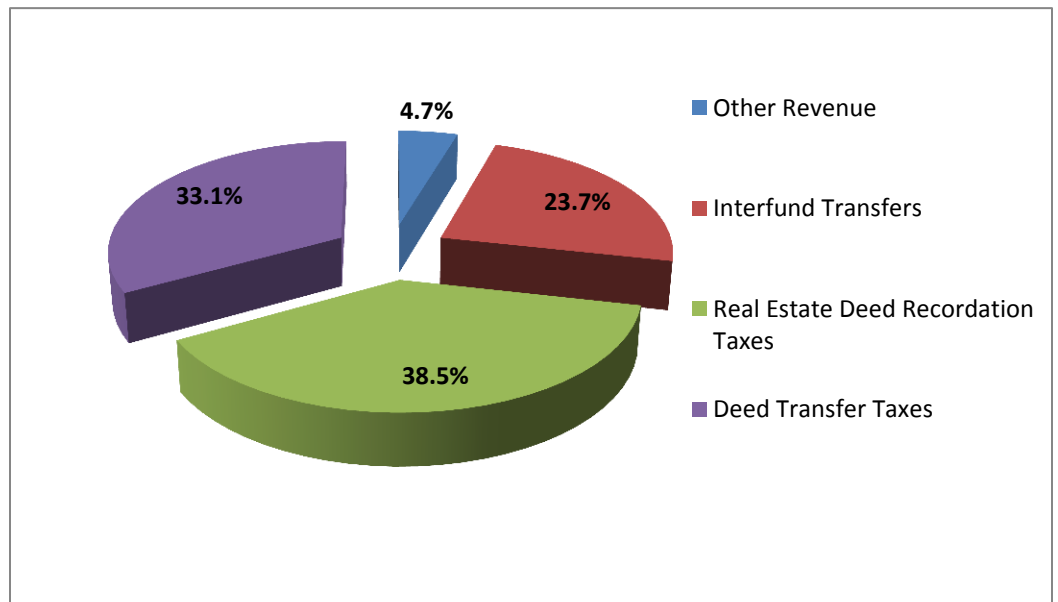


Figure 11 shows the Fund's total of expenditures by type for FY 2001 – FY 2015.

Figure 11

D.C. Housing Production Trust Fund Expenditures by Type for FY 2001 – FY 2015

Expenditure Type	Amount	Percentage of Total Expenditures
Subsidies and Transfers	\$340,330,103	56.143%
Contractual Services - Other	\$237,367,659	39.157%
Other Services and Charges	\$17,774,113	2.932%
Regular Pay - Full Time	\$5,205,159	0.859%
Rental - Land and Structure	\$2,513,768	0.415%
Regular Pay – Other	\$1,232,279	0.203%
Fringe Benefits	\$1,190,987	0.196%
Telephone	\$217,290	0.036%
Security Services	\$116,690	0.019%
Additional Gross Pay	\$98,087	0.016%
Equipment and Equipment Rental	\$61,650	0.010%
Supplies and Materials	\$49,049	0.008%
Overtime Pay	\$19,078	0.003%
Janitorial Services	\$10,275	0.002%
Energy, Comm. And Building Rentals	\$1,498	0.000%
Total	\$606,187,686	100.00%

It is important to note that prior to FY 2011 DHCD recorded expenditures by Agency Comptroller Source Group. From FY 2011 to FY 2015, almost all expenditures were recorded in the HPTF as contractual services – other, and not broken down by salaries, supplies, equipment, etc. Therefore, the administrative expenses above (i.e., regular pay, fringe benefits, additional gross pay, overtime pay) and other expenditures are understated and the contractual services – other is overstated. Figure 12 (next page) shows the Fund's total of expenditures by type for FY 2015, all being recorded as contractual services – other, not broken down by Comptroller Source Group.

Figure 12

D.C. Housing Production Trust Fund Expenditures by Type for FY 2015

Expenditure Type	Amount	Percentage of Total Expenditures
Contractual Services - Other	\$73,009,245	100%
Total	\$73,009,245	100%

The contractual services expenditures in Figure 12 includes all the expenditures from the HPTF for FY 2015 because DHCD staff began aggregating all expenditures in the single category rather than breaking them down as they had in the preceding years. This is a transparency issue and makes it difficult to analyze fund activity.

Units Produced

The purpose of the District’s Housing Production Trust Fund is to provide loans and grants for the acquisition, construction, rehabilitation, and preservation of affordable housing. Since there was no activity in the HPTF until FY 2001, ODCA is reporting on the total number of units from FY 2001 to FY 2015 that were completed per DHCD. A total of 9,588 units have been placed on the market for rental or ownership from completed projects through preservation and construction. It is important to note that the annual number of units produced in the annual reports often did not match the spreadsheet provided by DHCD during this examination. The total number of units produced in Figure 13 (see next page) comes from this spreadsheet, not the annual reports. Appendix I includes the detailed spreadsheet provided by DHCD, but not verified by ODCA, on multi-family projects funded from FY 2001 to FY 2015. Figure 13 (next page) shows the number of units available on the market from FY 2001 – FY 2015 and Figure 14 sums the number of units by ward from FY 2001 – FY 2015, as reported by DHCD.

Figure 13

D.C. Housing Production Trust Fund Units Produced, FY 2001 – FY 2015⁵⁷

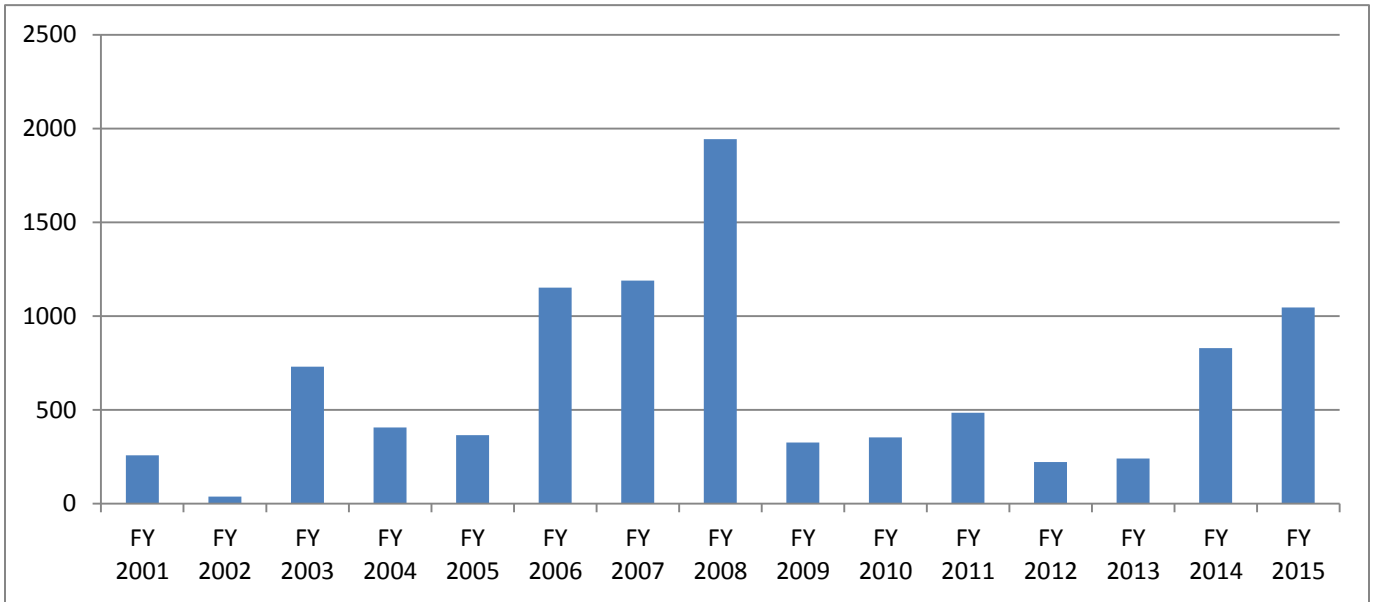


Figure 14

D.C. Housing Production Trust Fund Units Produced by Ward, FY 2001 – 2015^{58, 59}

Ward	Number of Units
1	1,081
2	516
3	31
4	1,018
5	1,274
6	410
7	2,113
8	2,595
Multiple wards	550
Total	9,588

⁵⁷ The Auditor is aware that the data provided by DHCD in various places throughout this report is inconsistent and we will explore the inconsistencies and other issues in our audit.

⁵⁸ As seen from Appendix I, the number of units was missing from some of the projects listed by DHCD, thus these figures should not be regarded complete.

⁵⁹ The Auditor is aware that the data provided by DHCD in various places throughout this report is inconsistent and we will explore the inconsistencies and other issues in our audit.

Compliance with Investing in Projects for Extremely Low-Income and Very Low-Income Households

The DC Code requires that 40 percent of HPTF funds disbursed annually target households earning no more than 30 percent of Area Median Income (AMI; \$32,760 in FY 2015) and 40 percent to households earning 31-50 percent AMI (\$54,600 in FY 2015).⁶⁰ Based on our analysis of DHCD self-reported numbers, it appears that DHCD has recently been out of compliance with spending at least 40 percent of HPTF dollars on projects benefitting the District’s lowest-income families.

In response to questions from the DC Council’s Housing and Community Development Committee for the FY 2017 Performance Oversight Hearing, DHCD reported on the allocation of HPTF obligation – defined as projects whose funding has been obligated in the District’s financial system but not yet fully disbursed,⁶¹– across the required income categories by fiscal year, shown below in Figures 15 (below) and 16 (next page).⁶²

Figure 15

DHCD Reported: Spending on HPTF by AMI per Fiscal Year

	0-30% AMI	31-50% AMI	51-80% AMI
Required %	At least 40%	At least 40%	Up to 20%
FY 2013	59%	32%	9%
FY 2014	13%	19%	68%
FY 2015	36%	13%	50%
FY 2016 to date	61%	30%	9%

⁶⁰ See D.C. Code § 42-2802(b-1). Those categories are defined as “extremely low income” and “very low income”, respectively. See D.C. Code § 42-2801 for definitions.

⁶¹ DHCD was reporting on obligations, which are not fully disbursed. DHCD defines four stages for HPTF funding. The Obligation Stage is the third stage. The fourth stage is the Completion Stage, defined as: Projects where all obligated funding have been disbursed.

⁶²DHCD, “Questions for Performance Oversight Hearing,” Council of the District of Columbia Housing and Community Development Committee, page 29. http://dccouncil.us/files/user_uploads/budget_responses/DHCDPOHFY16FINAL224.16.pdf; DHCD, “All attachments,” page 137.

http://dccouncil.us/files/user_uploads/budget_responses/Allattachments_3.pdf

Figure 16

DHCD Reported: HPTF Closed Projects Income Category Allocations and Units Created by Fiscal Year⁶³

Projected or Actual Closing Date	Number of Projects	30% AMI Allocation	50% AMI Allocation	80% AMI Allocation	Units: 0-30% AMI	Units: 31-50% AMI	Units: 51-80% AMI	Units: HPTF Ineligible
FY 2013	7	\$9,871,224	\$5,282,056	\$1,462,743	125	82	29	3
FY 2014	16	\$5,140,184	\$7,766,354	\$27,345,842	71	140	615	33
FY 2015	19	\$21,888,264	\$8,074,077	\$30,387,184	511	207	624	106
FY 2016	5	\$19,475,235	\$9,419,549	\$2,824,926	182	87	33	41
Total	47	\$56,374,907	\$30,542,036	\$62,020,696	889	516	1,301	183

This lack of compliance with required income categories as reported to the Council by DHCD is troubling. We recommend that DHCD undertake an analysis of how the obligations for households earning 0-30 percent AMI and 31-50 percent AMI deviated so far from the required minimum 40 percent in FY 2014 (13 and 19 percent, respectively) and, for FY 2015, how obligations for households earning 31-50 percent AMI (13 percent) deviated from the required minimum of 40 percent. We will include a review of these topics in our audit.

⁶³ The Auditor is aware that the data provided by DHCD in various places throughout this report is inconsistent and we will explore the inconsistencies and other issues in our audit.

Recommendations

The five city-level housing production trust funds featured in this report operate in unique, but comparable real estate markets, and highlight the scope and work of trust funds across the United States. Although the report does not identify a clear set of best practices in the field, in part because of the diversity of work being undertaken, it does highlight different practices and their impact, both on the programs themselves and on improving access to housing. As the District's Department of Housing and Community Development (DHCD) allocates \$100 million in FY 2017 funding, it should consider the following recommendations:

1. As recommended in our Management Alert letter sent to the Department of Housing and Community Development in March 2016, DHCD should obtain an independent CPA firm to produce the HPTF financial statements. Our office is pleased that DHCD's Director agreed with this recommendation and plans to procure an auditor to produce the FY 2016 HPTF financials by December 31, 2016. Nonetheless, DHCD should also ensure that it develops a system to ensure that this practice is implemented going forward. Additionally, these financial statements should be publicly accessible on DHCD's website.
2. Also recommended in our Management Alert letter sent to the Department of Housing and Community Development in March 2016, DHCD should immediately produce the FY 2014 – FY 2015 HPTF annual reports, and begin to publish quarterly reports. Our office is encouraged by the DHCD Director's response that the FY 2014 report will be ready for Council submission by April 30, 2016. However, as the date of this report, the FY 2014 annual report has not been submitted to Council. Nevertheless, DHCD needs to ensure that a system is in place for the: timely submission of annual reports; retention of back-up information and calculations to support the figures being reported in the annual reports, as well as explanations for any adjustments after the fiscal year closes; and reconciliation of the annual report information with SOAR data prior to report release. Additionally, these quarterly and annual reports should be publicly accessible on DHCD's website.
3. ODCA recommends that DHCD record expenditures by Agency Comptroller Source Group and not aggregate all expenditures in the single category, contractual services – other. This will allow DHCD to analyze fund activity.

4. ODCA recommends that DHCD formulate a compliance plan to ensure that future obligations do not deviate from the required 40 percent for both extremely low-income and very low-income households. Additionally, DHCD should consider compensating for the loss of investment in units for households earning 0-50 percent AMI during FY 2014 and FY 2015 by focusing all available funds on those two income categories for the near future.
5. As the District's HPTF matures and loans made to developers are closed, the District should conduct research into the performance and interest earnings of the loans that are made by participating lenders. Such research would provide a better understanding of how the Trust Fund performs as a revolving loan fund and its ability to recycle capital for future loans.
6. The District of Columbia needs a long-term strategy to preserve the substantial investment that it is making in affordable housing. Currently, the District is at risk of losing affordable units on the market due to expiring use restrictions that require the units to be affordable. To address this issue, the District of Columbia should consider both lengthening the D.C. Housing Production Trust Fund's use restriction and maintaining a database with all publicly subsidized affordable units, listing when the affordability expires.
7. The District should finalize and make public the Housing Needs Assessment (Phase II completed May 2015) that details the District's specific housing needs and develop a plan for how the HPTF can best address those specific needs, including the setting of measurable goals and milestones.

Agency Comments

On June 8, 2016, we sent a draft copy of this report to the Department of Housing and Community Development (DHCD) for review and written comment. DHCD provided written comments dated June 28, 2016. The comments are shown below in their entirety.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**



Office of the Director

June 28, 2016

VIA ELECTRONIC MAIL

Office of the District of Columbia Auditor
717 14th Street, NW
Suite 900
Washington, DC 20005

Re: Response to District of Columbia Housing Production Trust Fund: Revenues and Expenditures and 5-city Comparison

Dear Ms. Patterson:

The Department of Housing and Community Development has reviewed the draft report from the Office of the District of Columbia Auditor (“ODCA”) titled District of Columbia Housing Production Trust Fund: Revenues and Expenditures and 5-city Comparison (“Draft HPTF Report”) and have the following comments and responses to the recommendations.

Overall Comments:

DHCD appreciates the opportunity to respond to the Draft HPTF Report. While DHCD found the comparison of the District of Columbia Housing Production Trust Fund interesting, it is difficult to draw conclusions from this effort without a greater effort at standardization. For example, it is important to note that the District of Columbia functions as both a city and a state for purposes of housing funding and services. The other cities in the comparison operate under a more traditional funding scheme with resources being provided at both the city level and state level and as a consequence it makes sense that overall funding of their housing trust funds would be well below what is required by the District of Columbia. Similarly, greater emphasis should be given to the very different income targeting of these funds, particularly when discussing the outputs (Figure 3). In this regard, only Philadelphia and Seattle are comparable, with similar proportions of funding targeting housing affordable to extremely low income households, but it is difficult to know how to interpret the comparison of outputs, e.g. how do “rental units developed” differ from “new construction units” or “new construction homes”? Similarly, the Seattle fund is cited on page 8 as one of the “most transparent” researched but the basis for this is unclear, particularly since footnote 25 cites difficulty tracking single year outcomes in that

fund's reporting. It would be helpful to know what specifically made the reporting for this fund transparent. We believe we could greatly benefit from an effort to better standardize this section and look forward to being able to draw useful lessons from the final report.

Responses to Recommendations:

No. 1 - As recommended in our Management Alert letter sent to the Department of Housing and Community Development in March 2016, DHCD should obtain an independent CPA firm to produce the HPTF financial statements. Our office is pleased that DHCD's Director agreed with this recommendation and plans to procure an auditor to produce the FY 2016 HPTF financials by December 31, 2016. Nonetheless, DHCD should also ensure that it develops a system to ensure that this practice is implemented going forward. Additionally, these financial statements should be publicly accessible on DHCD's website.

Response: DHCD accepted the recommendation to hire an Independent Accountant to audit the financials of HPTF starting FY 2016. DHCD is working with the DC Office of Contracts and Procurement to contract a firm of Certified Public Accountant (CPA) for that purpose.

No. 2 - Also recommended in our Management Alert letter sent to the Department of Housing and Community Development in March 2016, DHCD should immediately produce the FY 2014 – FY 2015 HPTF annual reports, and begin to publish quarterly reports. Our office is encouraged by the DHCD Director's response that the FY 2014 report will be ready for Council submission by April 30, 2016. However, as the date of this report, the FY 2014 annual report has not been submitted to Council. Nevertheless, DHCD needs to ensure that a system is in place for the: timely submission of annual reports; retention of back-up information and calculations to support the figures being reported in the annual reports, as well as explanations for any adjustments after the fiscal year closes; and reconciliation of the annual report information with SOAR data prior to report release. Additionally, these quarterly and annual reports should be publicly accessible on DHCD's website.

Response: DHCD is drafting the prior-year reports per your recommendation. The agency will ensure that the reports reconcile with SOAR prior to release of any data, and will provide explanations should differences occur.

No. 3 – ODCA recommends that DHCD record expenditures by Agency Comptroller Source Group and not aggregate all expenditures in the single category, contractual services – other. This will allow DHCD to analyze fund activity particularly because there is more than one fund where the expenditures are recorded, DHCD's General Fund and the HPTF.

Response: DHCD will take this recommendation under advisement.

No. 4 – ODCA recommends that DHCD formulate a compliance plan to ensure that future obligations do not deviate from the required 40 percent for both extremely low-income and very low-income households. Additionally, DHCD should consider compensating for the loss of

investment in units for households earning 0-50 percent AMI during FY2014 and FY2015 by focusing all available funds on those two income categories for the near future.

Response: Beginning in fiscal year 2015 the Agency began issuing targeted requests for proposals utilizing the Housing Production Trust Fund with a requirement that the Agency will only fund new construction projects targeting households with incomes of 50% of area median income and below. This change in funding criteria will help the Agency ensure that it meets the statutory income targeting for HPTF. DHCD's most recent RFP also prioritizes Preservation projects that serve households in the 0-50% AMI ranges, however a large percentage of the properties that are at risk of losing affordability serve households earning up to 60% of AMI and DHCD will continue to use Housing Production Trust Fund funds to preserve affordability in such instances.

No. 5 – As the District's HPTF matures and loans made to developers are closed, the District should conduct research into the performance and interest earnings of the loans that are made by participating lenders. Such research would provide a better understanding of how the Trust Fund performs as a revolving loan fund and its ability to recycle capital for future loans.

Response: DHCD agrees that understanding the return on investment associated with the Trust Fund is a valuable tool to determining long-term viability of the Fund's impact. Although no participating lenders are being utilized at this time, the Agency agrees that research into the fund's self-sufficiency based on interest earnings as well as performance indicators of the portfolio maintained and monitored by the Agency will aid in developing strategies to assess deployment levels and sustainability.

No. 6 – The District of Columbia needs a long-term strategy to preserve the substantial investment that it is making in affordable housing. Currently, the District is at risk of losing affordable units on the market due to expiring use restrictions that require the units to be affordable. To address this issue, the District of Columbia should consider both lengthening the D.C. Housing Production Trust Fund's use restriction and maintaining a database with all publicly subsidized affordable units, listing when the affordability expires.

Response: DHCD strives to maintain affordability for as long as possible within the constraints of the regulation associated with the Housing Production Trust Fund. Currently, 40 years is the minimum affordability period; there may be instances of affordability extending beyond 40 years. Further, factors such as loan modification/restructuring and project useful life, in addition to the political climate and the legislative landscape, are ancillary concerns that impact the Agency's ability to increase expiring use restrictions. DHCD agrees that preserving the investment in affordable housing is critical and the Agency will endeavor to engage all relevant stakeholders to ensure that the investment is well-protected.

No. 7 – The District should finalize and make public the Housing Needs Assessment (Phase II completed May 2015) that details the District's specific housing needs and develop a plan for

Ms. Patterson
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how the HPTF can best address those specific needs, including the setting of measurable goals and milestones.

Response: The Housing Needs Assessment was conducted by the Urban Institute. Phase I and Phase II of the Housing Needs Assessment is published on the Urban Institute's website. Here is a link: <http://www.urban.org/research/publication/affordable-housing-needs-assessment-district-columbia>

Sincerely,

A handwritten signature in blue ink, appearing to read "Mary R. Donaldson".

Mary R. (Polly) Donaldson
Director

cc: Vonda Orders, Chief Program Officer
Douglas Kemp, Agency Financial Officer
Oke Anyaegbunam, HPTF Manager

Auditor's Response to Agency Comments

The Office of the District of Columbia Auditor appreciates the comments provided by the Department of Housing and Community Development (DHCD). We are pleased to learn that DHCD agrees with most of the recommendations presented in the report and is taking steps to implement them. There are a few areas in which DHCD's response could have been more complete.

In its response to recommendation 1, DHCD did not include whether it would be making the independent accountant's financial audit publicly available on the DHCD website, as we recommended. We hope that it does so. Similarly, in its response to recommendation 2, DHCD did not address whether it would be making both the annual and quarterly reports available on the DHCD website. Currently, the annual reports are available, but it is not clear if this is their plan for the quarterly reports.

In terms of recommendation 3, DHCD stated that it will take it under advisement. We urge DHCD to implement this recommendation given the importance of providing stakeholders detailed expenditure information for compliance, transparency and tracking purposes. Also, given that it was past practice to record expenditures by Agency Comptroller Source Group, implementation should not prove difficult.

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Appendix I

MULTI FAMILY PROJECTS FUNDED WITH HOUSING PRODUCTION TRUST FUND FY 2001 TO FY 2015

*The information below was provided by DHCD and has not been verified by the Office of the D.C. Auditor**

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
2001	Edgewood IV	5	635 Edgewood Terrace NE	258	Acquisition	Leased	\$3,200,000
	FY 2001 Subtotal			258			\$3,200,000
2002	Trenton Park Apartments	8	3500-3649 6th Street SE	38	Acquisition	Leased	\$1,750,000
	FY 2002 Subtotal			38			\$1,750,000
2003	New Fairmont I & II	1	1400-1401 Fairmont Place SE	102	Construction	Leased	\$4,750,000
	Immaculate Conception	2	1330 7th Street NW	12	Acquisition	Leased	\$2,187,557
	Green Door - 14th Street	1	3471 14th Street NW	4	Acq/ Rehab	Leased	\$368,504
	Green Door - Piney Branch	4	6411 Piney Branch Road NW	6	Construction	Leased	\$74,162
	Carver Terrace	5	Maryland Ave NE, 19th Street NE & 21st Street NE	312	Refinance	Leased	\$985,000
	North Capitol at Plymouth	5	5233 North Capitol Street NE	16	Construction	Leased	\$1,629,067
	Four Walls Development Inc	7	4400 Hunt Place NE	15	Construction	Leased	\$773,808
	Green Door - 2721 Pennsylvania Avenue	7	2721 Pennsylvania Ave SE	4	Construction	Leased	\$174,545
	Independence Place	8	2800, 2802, 2806 N Street SE	21	Construction	Leased	\$1,300,000
	Bowling Green	8	2nd & Wilmington Pl. SE, et al	11	Construction	Leased	\$1,600,000
	Howard Hill Apartments	8	1341, 1345, 1349 1361 Howard Road SE	39	Construction	Leased	\$2,062,497
	J W King Apartment Center	8	4638 H Street SE	74	Construction	Leased	\$2,120,000
	St. Paul Senior Living	8	114-124 Wayne Place SE	56	Construction	See additional funding FY 2005	\$825,000
	Wingate Tower	8	4660 Martin Luther King Jr Avenue SE	59	Acquisition	Leased	\$2,500,000
	FY 2003 Subtotal			731			\$21,350,140
2004	3128 Sherman Avenue	1	3128 Sherman Avenue NW	13	Acquisition	Leased	\$665,000
	Jubilee Housing I	1	2482 Ontario Road NW	118	Rehab	Leased	\$3,554,306
	Amber Overlook Condominium	7	C Street, Call Place, 50th Street & St. Lois Avenue, SE	100	Construction	Leased	\$1,200,000
	GW Carver Senior	7	4700 East Capitol Street SE	125	Pre Development		\$1,200,000
	House of Help City of Hope	8	2310, 2314, 2318, 2322 16th Street SE	38	Acquisition	Leased	\$2,166,990
	New Day Transitional	8	851-853 Yuma Street SE	12	Acq/ Pre Development	Leased	\$1,626,547
	FY 2004 Subtotal			406			\$10,412,843
2005	Neighborhood Consejo	1	1622 Lamont Street NW	6	Construction	Leased	\$100,000
	Las Marias Coop	1	1458 Columbia Road NW	50	Acq/ Rehab Tenant Purchase	Occupied	\$1,815,000
	Jubilee Housing Renovation - Phase II	1	1630-1650 Fuller Street NW	96	Rehab	Leased	\$3,281,188
	Phyllis Wheatly YWCA	2	901 Rhode Island Avenue NW	117	Rehab	In place Rehab	\$679,294
	Four Wall Development	7	3471 14th Street NW	15	Rehab	Leased	\$773,808
	A Street Manor Coop	7	4920 A Street SE	16	Acq/ Rehab Tenant Purchase	Occupied	\$1,045,110
	Howard Hill Apartments	8	1341, 1345, 1349, 1361 Howard Road SE	43	Construction	Leased	\$2,062,497
	Hope Apartments	8	3715 2nd Street SE	10	Rehab	Leased	\$1,300,000

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
	St. Paul Senior Living (Additional Funding)	8	110-124 Wayne Place SE	**	Construction	Leased	\$1,600,000
	New Day Transitional Housing	8	851-853 Yuma Street SE	12	Construction	Leased	****
	FY 2005 Subtotal			365			\$12,656,897
2006	Amber Overlook	7	C Street, Call Place, 50th Street & St. Lois Avenue, SE	100	Construction	Units Sold	\$1,200,000
	Arthur Capper Senior II	6	5th & M Street SE	138	Construction	Leased	\$1,700,000
	Carver Demolition	7	4700 East Capitol Street SE	0	Demolition		\$2,770,000
	Carver Seniors	7	4700 East Capitol Street SE	**	Pre Development		\$950,000
	Crestwood Tenants Association	1	1630 Irving Street NW	22	Acq/ Rehab Tenant Purchase	Occupied	\$3,371,000
	Fairmont Housing I & II	1	1499 & 1401 Fairmont St. NW	102	Construction	Leased	\$4,000,000
	Freedom House	8	2125 18th Street SE	30	Rehab	Leased	\$1,177,500
	Hope And A Home	1	1236 Columbia Rd. NW, 1428 Chaplin St. NW, 3003 11th St. NW, 3541, 3543 & 3548 10th St. NW	14	Rehab	Leased	\$1,871,458
	Jubilee Housing Renovation - Phase 1B	1	1630 Fuller St. NW, 1631 Euclid St. NW, & 1650 Fuller St. NW	118	Rehab	Leased	\$1,933,803
	Kara House Cooperative	1	1498 Spring Street NW	13	Rehab	Leased	\$1,194,000
	Martin Luther King Jr. Latino Cooperative	2	1236 11th Street NW	74	Acq/ Rehab Tenant Purchase	Occupied	\$8,398,000
	New Beginnings Cooperative Association, Inc	1	2922 Sherman Avenue NW	13	Acq/ Rehab Tenant Purchase	Occupied	\$1,812,700
	Park Southern Apartments	8	800 Southern Avenue SE	360	Rehab	Leased	\$3,076,641
	Piney Branch House	4	6411 Piney Branch Road NW	6	Rehab	Leased	\$74,162
	Renaissance (Additional Funding)	8	851-853 Yuma Street SE	12	Rehab	Leased	\$1,200,000
	Site Acquisition Funding Initiative (SAFI)		Sites located throughout the District of Columbia	0	Acquisition SAFI	N/A	\$3,000,000
	Site Acquisition Funding Initiative (SAFI)		Sites located throughout the District of Columbia	0	Acquisition SAFI	N/A	\$2,000,000
	Victory Hills 4211 2nd Street Apartments	4	4211 2nd Street NW	23	Rehab	Leased	\$425,000
	Wesley Housing (Union Wesley)	5	3600 Commodore Joshua Barney Dr. NE	127	Construction	Leased	\$3,101,787
		FY 2006 Subtotal			1,152		
2007	Bates Street Townhomes Cooperative	5	24, 52, & 230 Bates Street NW	5	Acq/ Rehab Tenant Purchase	Occupied	\$1,705,403
	Bethune House	7	401 Chaplin Street SE	44	Rehab	Leased	\$3,477,659
	Brightwood Gardens	4	931 Longfellow Street NW	52	Acq/ Rehab Tenant Purchase	Occupied	\$3,676,357
	Colorado Cooperative	4	5610 Colorado Avenue NW	36	Acq/ Rehab Tenant Purchase	Occupied	\$3,150,000

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
	Duncan Cooperative	4	4625 & 4627 13th Street NW	24	Acq/ Rehab Tenant Purchase	Occupied	\$2,565,400
	4100 Georgia Avenue Apartments	4	4100 Georgia Avenue	72	Rehab	Leased	\$6,600,000
	Kennedy Street Apartments	4	135 Kennedy Street NW	21	Rehab	Leased	\$2,003,641
	Langston Lane Apartments	8	2720-2734 Langston Lane St. SE	119	Rehab	Leased	\$6,980,500
	Mayfair Mansions	7	3819 Jay Street NE	360	Rehab	leased	\$24,550,000
	Mayfair Mansions Pase III	7	3819 Jay Street NE	160	Rehab	Leased	\$6,913,646
	New Day Transitional Housing	8	851-853 Yuma Street SE	12	Rehab	Leased	\$1,200,000
	Post Foster Care	7	200 & 210 55th Street NE	26	Rehab	Leased	\$292,327
	R Street Apartments	2	1416 & 1428-1440 R Street NW	124	Rehab	Leased	\$6,500,000
	Voices of Madison	4	700 Madison Street NW	15	Acq/ Rehab Tenant Purchase	Occupied	\$636,000
	Wesley Housing	5	3600 Commodore Joshua Barney Dr. NE	120	Rehab	Leased	\$3,101,787
	Site Acquisition Funding Initiative (SAFI)		Sites located throughout the District of Columbia	0	Acquisition SAFI	0	\$2,000,000
	Site Acquisition Funding Initiative (SAFI)		Sites located throughout the District of Columbia	0	Acquisition SAFI	0	\$3,000,000
	FY 2007 Subtotal			1,190			\$78,352,720
2008	1314 K Street SE	6	1314 K Street SE	12	Acq/ Rehab Tenant Purchase	Occupied	\$1,499,265
	2300 Pennsylvania Avenue	8	2301-2347 Pennsylvania Avenue SE	118	New Construction	Leased	\$7,500,000
	4000 Kansas Avenue NW	4	4000 Kansas Avenue NW	170	In development		\$1,163,750
	Ailanthus Cooperative	1	1648 Harvard Street NW	9	Acq/ Rehab Tenant Purchase	Occupied	\$925,000
	Archer Park	8	3401-3411 10th Place SE & 950 Mississippi Avenue SE	214	New Construction	In development	\$5,648,000
	Clairborne Apartments	1	3033 16th Street NW	92	Acq/ Rehab Tenant Purchase	Occupied	\$10,506,249
	Copeland Manor Cooperative, Inc	7	4710-4760 C Street SE	61	Acq/ Rehab Tenant Purchase	Occupied	\$4,083,696
	The Elizabeth Ministry	7	200-210 55th Street NE	27	Rehab	Leased	\$2,406,986
	Foote Street Renovation (Phase I)	7	4212 Foote Street NE	6	Rehab	Leased	\$345,312
	Golden Rule Apartments	6	K & First Streets NW	113	Rehab	Pre Development	\$950,000
	Longfellow Arms Apartments	4	506 Longfellow Street NW	30	Rehab	Leased	\$3,854,000
	Martin Luther King Jr. Latino Cooperative	2	1236 11th Street NW	**	Acq/ Rehab Tenant Purchase	Occupied	\$6,569,499
	Ontario Court Apartments	1	2525 Ontario Court SE	27	Rehab	Leased	\$3,428,019

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
	Parkside Terrace Redevelopment	8	3700 9th Street SE	316	Rehab	Leased	\$21,462,064
	Peaceaholics Strategic Housing Intervention	6,7,8	1424 L Street SE, 400 Oklahoma Ave. NE, Lyman St. NE & Meigs Ave. NE	32	Rehab	Leased	\$600,000
	Pleasant park Cooperative	7	6220-6242 Clay St. NE, 6221-6243 Clay St. NE, 6220-6242 Banks Pl. NE, 22-243 63rd ST. NE, & 301-323 63rd St. NE	60	Acq/ Rehab Tenant Purchase	Occupied	\$4,710,265
	Quest Cooperative	1	1428 Euclid Street NW	23	Acq/ Rehab Tenant Purchase	Occupied	\$2,135,303
	Sankofa Cooperative Inc	1	1430 Belmont Street NW	48	Acq/ Rehab Tenant Purchase	Occupied	\$5,194,061
	Shalom House	1	1876 4th Street NE	118	Rehab	Leased	\$1,918,713
	St. Martin's Apartments	5	116 T Street NE	178	Rehab	Leased	\$9,512,000
	Staton View Townhomes	8	Staton Road SE	31	Rehab	Units Sold	\$4,000,000
	The Community Builders Scattered Sites	7	2700 Blocks of Q & R Streets, 5000 Block of Call Place SE	98	Rehab	Leased	\$2,000,000
	Woodley House	3	2711-2713, 2731 Connecticut Ave., & 7426 13th St. NW	31	Rehab	Leased	\$1,016,750
	Wheeler Terrace Apartments	8	120-1241 Valley Avenue SE & 3901 13th Street SE	118	Rehab	Leased	\$5,769,883
	Zagami House	8	1701 19th Street SE	12	Rehab	Leased	\$1,000,000
	FY 2008 Subtotal			1,944			\$108,198,815
2009	1029 Perry Street	5	1029 Perry Street NE	16	Rehab	Leased	\$600,000
	1703 Euclid Street NW LLC	4	1703 Euclid Street NW	3	Rehab	Leased	\$286,147
	4000 Kansas Avenue NW (Phase I)	4	4000 Kansas Avenue NW	**	Rehab	In development	\$1,163,750
	Georgia Commons	4	3910-3912 Georgia Avenue NW	104	New Construction	Leased	\$3,755,000
	Hacienda Cooperative	7	102 58th Street SE	59	Acq/ Rehab Tenant Purchase	Occupied	\$1,419,219
	Hyacinth's Place	5	1058-1060 Bladensburg Rd. NE	15	Rehab	Leased	\$1,753,652
	Peaceaholics Strategic Housing Intervention (Phase II)	5,6,8	3300 Congress Heights SE, 400 Oklahoma Ave. SE, & Meigs Ave. NE	32	Rehab	Leased	\$4,400,000
	The Community Builders Scattered Sites (Phase 2)	7	2700 Blocks of Q & R Streets, 5000 Block of Call Place SE	98	Rehab	Leased	\$5,000,000
	FY 2009 Subtotal			327			\$18,377,768
2010	The Dunbar Open Arms Housing (Phase II)	5	57 O Street NW	19	Rehab	Leased	\$1,124,475
	Henson Ridge (UFAS Units)	8	Alabama Avenue and Staton Rd. SE	22	New Construction	Leased	\$2,900,000
	1320 Mississippi Ave. SE	8	1320 Mississippi Avenue SE	19	New Construction	Leased	\$4,853,525
	Webster Gardens	4	124-130 Webster Avenue NW	52	Rehab	Leased	\$4,000,000
	SOME Scattered Sites	7,8	2870, 2872 Texas Ave. SE, 820-3830 South Capitol St. SE, 730-736 Chesapeake St. SE, 167 Good Hope Road SE, & 350-360 50th St. SE	241	Rehab	Leased	\$11,503,000

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
	FY 2010 Subtotal			353			\$24,381,000
2011	Trinity Plaza	8	3927-3939 South Capitol St. SW & 17-21 Atlantic St. SW	28	Rehab	Leased	\$780,000
	Victory Square Seniors	7	600 Barnes Street NE	98	New Construction	Leased	\$3,667,887
	E&G Tenant First Right to Purchase Pool	1,6,7	600 Barnes Street NE	134	Rehab	Leased	\$5,385,361
	62nd Street Apartments - Phase I	7	300 Block of 62nd Street NE	39	New Construction	In development	\$354,410
	Linda Joy and Kenneth Jay Pollin Memorial Community Center	7	3927-3939 South Capitol St. SW & 17-21 Atlantic St. SW	102	New Construction	Units sold/ in development/leased	\$8,268,000
	Norwood Tenants Association	2	1417 N Street NW	84	Acq/ Rehab Tenant Purchase	Occupied	\$3,624,286
	FY 2011 Subtotal			485			\$22,079,944
2012	Mayfair Mansion III Apartment	7	705 Anacostia Avenue NE	160	Pre Development	Leased	\$950,000
	Progression Place Apartments	2	Georgia Avenue NW	50	New Construction	Leased	\$2,700,000
	Carver 2000 Tenants Association II	7	4900 East Capitol Street SE	**	Pre Development	In development	\$1,180,000
	L'Enfant Square Apartments	8	1609 21st Place SE	13	Rehab	Leased	\$640,000
	FY 2012 Subtotal			223			\$5,470,000
2013	Jubilee Re-entry Housing Initiative	1	2720 Ontario Road NW & 2448 18th Street NW	24	Rehab	Leased	\$2,922,451
	W Street Apartments	8	1751-1759 W Street SE	15	New Construction	Leased	\$1,498,500
	Buxton Condos	8	1700 W Street SE	24	Rehab	Units Sold	\$1,525,000
	SOME Scattered Sites II	6,8	2025 Fendell Street SE, 523-525 Mellon Street SE, 115 New Jersey Avenue NW & 216 New York Avenue NW	103	Rehab	Leased	\$4,780,000
	Crestwood Cooperative	1	1630 Irving Street NW	22	Acq/ Rehab Tenant Purchase	Occupied	\$1,451,032
	Trinity Plaza Retail Worker Housing Initiative	8	3939 South Capitol Street SW	49	Rehab	Leased	\$3,950,000
	Ivy City Rehabilitation Project	5	1955 Capitol Avenue NE, 1830 Providence Street NE, 1825 Corcoran Street NE	4	Rehab	Leased	\$489,040
	FY 2013 Subtotal			241			\$16,616,023
2014	1919 Calvert St NW Tenant Association	1	1919 Calvert St NW	14	Acq/ Rehab Tenant Purchase	Leased	\$1,400,000
	Valencia Apartments	4	5922 13th St NW	32	Acquisition	In place rehab	\$2,336,667
	Vizcaya Apartments	4	1388 Tuckerman Street NW	17	Acquisition	In place rehab	\$1,550,417
	5741 Colorado Cooperative LCA	4	5741 Colorado Avenue NW	28	Acq/ Rehab Tenant Purchase	Occupied	\$2,522,546
	Metro Village	4	7051 Spring Place NW	120	New Construction	In development	\$7,990,000
	Concord Apartments	4	5807 14th Street NW	78	Acquisition	In place rehab	\$6,926,250

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
	Sierra Cooperative - Rehab	5	307 S Street NE	20	Acq/ Rehab Tenant Purchase	Occupied	\$1,502,000
	30th Place Crescent Townhomes	5	2300 30th Place NE	26	New Construction	Home dev in progress	\$900,000
	62nd Street Apartments - Phase II	7	323 62nd Street NE	39	New Construction	In development	\$3,000,000
	The Nannie Helen at 4800	7	4800 Nannie Helen Burroughs Avenue NE	70	DMPED Project		\$250,000
	Eden Place - Phase I	7	400-414 Eastern Avenue NE	29	DMPED Project		\$277,721
	Tobias Henson Apartments	8	1443 Savannah Street SE	64	Rehab	In place rehab	\$1,365,000
	The Gregory Apartments	8	822 Banaby Street SE	124	Rehab	Leased	\$4,650,000
	Grandview Estates II aka/River East @ Anacostia Metro Station	8	1265 Talbert Street SE	46	Rehab	In development	\$4,110,788
	Maple View Flats - Cedar Flats, Big K	8	2228 Martin Luther King Jr. Avenue SE	114	Pre Development	In Development	\$911,670
	Ivy City/Trinidad	5,8	1913 Gallaudet Street NE, 1625 Butler Street SE	8	Rehab	In Development	\$559,321
	FY 2014 Subtotal			829			\$40,252,380
2015	Parkway Overlook	8	Robinson Pl SE	***	Pre Development	In development	\$750,000
	Maya Angelou Cooperative	7	5100 Bass Pl SE	9	Rehab	Leased	\$780,000
	Kenyon House Family Cooperative, Inc.	1	660 Kenyon St NW	8	Rehab	Leased	\$1,603,139
	2321 4th Street, NE	5	2321 4th Street NE	116	Rehab	In Place Rehab	\$7,306,239
	The Grove at Parkside	7	600 Kenilworth Terrace NE	186	Rehab	In Place Rehab	\$12,800,000
	Gainesville Court	8	1808 Gainesville Street SE	19	New Construction	In Development	\$800,000
	West End - Square 50	2	1211 23rd St NW	55	New Construction	In Development	\$4,319,463
	Juniper Heights /7611 and 7701 Georgia Avenue, NW Tenants Association	4	7611 Georgia Ave NW	81	Rehab	In Place Rehab	\$6,750,000
	Owen House	5	1256 Owen Place NE	4	Rehab	Leased	\$673,258
	Channel Square	6	325 P Street SW	147	Rehab	Leased	\$7,400,000
	Partner Arms I	4	935 Kennedy Street NW	14	Rehab	Leased	\$967,297
	Cornerstone Comm Supp Housing	4	4800 Arkansas Avenue NW	7	Rehab	In Development	\$1,435,410
	Miriam's House	1	1300 Florida Ave NW	25	Rehab	In Place Rehab	\$1,079,464
	The Norwood - Rehabilitation / 1417 N Street Cooperative	2	1417 N St NW	**	Rehab	In Place Rehab	\$593,250
	HFH Transition House (DHCD HIV/AIDS Housing Initiative)	7	3009 G Street SE	7	Rehab	In Development	\$709,000
	Atlantic Terrace	8	4319 3rd St SE	195	Rehab	In Place Rehab	\$6,500,000
	Atlantic Gardens	8	4216 4th St SE	108	Rehab	In Place Rehab	\$4,100,000
	6925 Georgia Ave (Additional Financing)	4	6925-6929 Georgia Ave NW	27	Rehab	In development	\$2,600,000
	RAP, Inc. (additional financing)	5	1959-2005 4th Street NE	38	Rehab	In development	\$1,913,006

FY	Project Name	Ward	Address	Affordable Units	Type	Total Units	HPTF Award
	FY 2015 Subtotal			1,046			\$63,079,526
	Total for FY 2001-FY2015			9,588			\$469,434,107
<p>* The Auditor is aware that the data provided by DHCD in various places throughout this report is inconsistent and we will explore the inconsistencies and other issues in our audit.</p> <p>** Affordable Units were counted previously and left blank here to prevent double counting.</p> <p>*** An accurate number of affordable units is not available.</p> <p>**** Award amount removed by DHCD to not duplicate the total count.</p>							